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**Readers Guide**

**The Global Economy Ch. VA 18-2 p.VA 18-10 – VA18-15 (between Ch.18 & 19)**

**Part I – Vocabulary**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 1. The growing connections between economies around the world.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 2. Companies that make direct foreign investments

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 3. Taxes on imported goods.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 4. To use trade barriers to protect domestic industry

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 5. When barriers are removed so that businesses have access to markets in other countries

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 6. A large common market representing most European countries with a single currency

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 7. Created a large free trade zone between the U.S., Canada and Mexico.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 8. Organization that seeks to promote international trade

**Part II. Short Answer**

9. What percentage of the U.S. GDP represents international trade?

10. How is the *globalized* world different from the past for producers?

11. How does a tariff help domestically made goods more competitive?

12. How has free trade improved the choices for consumers?

13. What consequence do consumers face when a domestic industry is protected by tariffs?

14. What happen to a less competitive domestic industry when trade barriers are removed?

15. Under a system of free trade, how are prices determined?

16. What American industry was protected by a tariff in 2002?

17. What has happened to the economic inequality between rich and poor?

18. Why were some Americans worried about NAFTA?

19. How does the port of Hampton Roads rank in size among American ports?

20. What industry has been hurt by globalization, in Virginia and nationwide?